



I. Introduction

A. Purpose

The Department of Financial Institutions (DFI) ensures the integrity and stability of California's financial services system by regulating and supervising the State's licensed financial institutions. This is accomplished by encouraging observance of sound banking and business practices as well as by performing financial examinations of licensees.

II. Program Metrics

In connection with the Performance Improvement Initiative, the Department lists 9 metrics in two major programs:

A. Banking

1. Annual dollar assessment of an average commercial bank – the state assessment steadily increased since 1999 from the high \$30,000s to the low \$60,000s in 2003, yet is much lower compared to the federal rates, which have stayed fairly constant but at a level over \$120,000.
2. Percentage of licensee satisfaction with bank examinations on operational effectiveness – over the last six-year period, this metric has remained constant, ranging from 92-94 percent satisfaction.
3. Percentage of banks rated in satisfactory condition of their state charter – for the last six-years, has remained constant between 87 to 90 percent.
4. Completion of Financial Code 1900 (a)(3) examination requirements – for the last three years, the number of conducted exams have exceeded the required number, and have been slightly increasing from 12 more conducted in 2001 to 26 more in 2003.
5. Average time to issue examination report on the condition of the bank upon conclusion of fieldwork, with a goal of 30 days – the number of days to issue a report in 1998 was 34 days, in 2000 it peaked at 52 days, and since that time has started to decrease again. In 2003, it was 42 days.



B. Credit Unions

1. Annual dollar assessment of an average credit union – the state assessment has steadily increased since 1999 (from \$10,000 to \$20,000 in 2003), yet remains much lower compared to the federal rates that have steadily increased from the high \$20,000s in 1999 to over \$50,000 in 2003.
2. Percentage of licensee satisfaction with credit union examinations on operational effectiveness – over the last six-year period, this figure has remained constant, ranging from 86-92 percent satisfaction.
3. Percentage of credit unions rated in satisfactory condition of their state charter – for the last six-years (excluding 1998, as information was not available), has stayed constant between 77 and 83 percent.
4. Average time to issue examination report on the condition of the credit union upon conclusion of fieldwork, with a goal of 30 days – the number of days to issue a report in 1998 was 59 days. This number dropped in 1999 to 42 days, consistently increased to 65 days in 2002, and more recently decreased to 61 days in 2003.

III. Benchmarking

A. Banking

One benchmark compares the annual assessment for an average commercial bank for state vs. federal regulators for 1999-2003. This comparison shows that the state has increased its area faster than the federal regulators, but the federal assessments remain much higher than the state assessments. The other metrics are not directly comparable.

B. Credit Unions

Compares the annual assessment for an average credit union for state vs. federal regulators for 1999-2003, and shows that the federally regulated credit unions have much higher assessments than those regulated by the state. The other metrics are not directly comparable.



IV. Department Website (<http://www.dfi.ca.gov>)

A. Online services offered

DFI's website provides information about DFI and its services, and information on department regulations, corporate governance, the legal precedent system and regulatory developments, as well as access to forms (applications, reporting), filings (pending applications), reporting requirements, statistics, surveys, directories, publications, consumer brochures, materials promoting financial literacy and information on filing consumer complaints.

BUSINESS, TRANSPORTATION & HOUSING AGENCY

Department of Financial Institutions Overview

